



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-122-858]

#### **Certain Softwood Lumber Products from Canada: Final Results of the Expedited Sunset Review of the Countervailing Duty Order**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The U.S. Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on certain softwood lumber products (softwood lumber) from Canada would be likely to lead to continuation or recurrence of countervailable subsidies at the levels indicated in the “Final Results of Sunset Review” section of this notice.

**DATES:** Applicable [Insert Date of Publication in the *Federal Register*].

**FOR FURTHER INFORMATION CONTACT:** Kristen Johnson or Laura Griffith, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4793 and (202) 482-6430, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### Background

On January 3, 2018, Commerce published the *Order* on softwood lumber from Canada.<sup>1</sup> On December 1, 2022, Commerce published the notice of initiation of the first sunset review of the *Order*, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).<sup>2</sup> On December 5 and 16, 2022, Commerce received notices of intent to participate in this review from the Committee Overseeing Action for Lumber International Trade Investigations or Negotiations

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<sup>1</sup> See *Certain Softwood Lumber Products from Canada: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 83 FR 347 (January 3, 2018) (*Order*).

<sup>2</sup> See *Initiation of Five-Year (Sunset) Reviews*, 87 FR 73757 (December 1, 2022).

(COALITION) and Sierra Pacific Industries, including its subsidiary Seneca Sawmill Company (Sierra Pacific), respectively, within the deadline specified in 19 CFR 351.218(d)(1)(i).<sup>3</sup> The COALITION, the petitioner in the underlying investigation, claims that it has interested party status within the meaning of 19 CFR 351.102(b)(29)(viii), as an association, the majority of whose members are interested parties described in subparagraphs (C), (D), or (E) of section 771(9) of the Act with respect to a domestic like product.<sup>4</sup> Sierra Pacific claims interested party status within the meaning of section 771(9)(C) of the Act and 19 CFR 351.102(b)(29)(v) as a U.S. producer of the domestic like product.<sup>5</sup>

On December 30, 2022, and January 3, 2023, Commerce received adequate substantive responses from the COALITION and Sierra Pacific, respectively, within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).<sup>6</sup> Commerce did not receive a substantive response from either the Government of Canada or any other respondent interested party to this proceeding. On January 25, 2023, Commerce notified the U.S. International Trade Commission that it did not receive an adequate substantive response from respondent interested parties.<sup>7</sup> As a result, Commerce conducted an expedited (120-day) sunset review of the *Order*, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B)(2) and (C)(2).

#### Scope of the *Order*

The merchandise covered by this *Order* is softwood lumber, siding, flooring and certain other coniferous wood (softwood lumber products). For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.<sup>8</sup>

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<sup>3</sup> See COALITION's Letter, "Five-Year (Sunset) Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Notice of Intent to Participate," dated December 5, 2022 (COALITION's Notice of Intent); see also Sierra Pacific's Letter, "Certain Softwood Lumber Products from Canada: Notice of Intent to Participate in Sunset Review," dated December 16, 2022 (Sierra Pacific's Notice of Intent).

<sup>4</sup> See COALITION's Notice of Intent at 2-4.

<sup>5</sup> See Sierra Pacific's Notice of Intent at 2.

<sup>6</sup> See COALITION's Letter, "Five-Year (Sunset) Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Substantive Response to Notice of Initiation," dated December 30, 2022; see also Sierra Pacific's Letter, "Certain Softwood Lumber Products from Canada: Substantive Response to the Notice of Initiation," dated January 3, 2023.

<sup>7</sup> See Commerce's Letter, "Sunset Reviews Initiated December 1, 2022," dated January 25, 2023.

<sup>8</sup> See Memorandum, "Issues and Decision Memorandum for the Final Results of the Expedited Sunset Review of the

## Analysis of Comments Received

A complete discussion of all issues raised in this sunset review, including the likelihood of continuation or recurrence of subsidization in the event of revocation of the *Order* and the countervailable subsidy rates likely to prevail if the *Order* were to be revoked, is provided in the Issues and Decision Memorandum. A list of the topics discussed in the Issues and Decision Memorandum is attached as an appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS), which is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

## Final Results of Sunset Review

Pursuant to sections 751(c) and 752(b) of the Act, we determine that revocation of the *Order* would be likely to lead to continuation or recurrence of countervailable subsidies at the following net countervailable subsidy rates:

<b>Producers/Exporters</b>	<b>Net Countervailable Subsidy Rate (percent) <i>ad valorem</i></b>
Canfor Corporation and its cross-owned affiliates <sup>9</sup>	13.96%
J.D. Irving, Limited and its cross-owned affiliates <sup>10</sup>	3.58%
Resolute FP Canada Inc. and its cross-owned affiliates <sup>11</sup>	19.19%

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Countervailing Duty Order on Certain Softwood Lumber Products from Canada," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>9</sup> Commerce found the following companies to be cross-owned with Canfor: Canadian Forest Products, Ltd. and Canfor Wood Products Marketing, Ltd.

<sup>10</sup> Commerce found the following companies to be cross-owned with JDIL: Miramichi Timber Holdings Limited, The New Brunswick Railway Company, Rothesay Paper Holdings Ltd., St. George Pulp & Paper Limited, and Irving Paper Limited.

<sup>11</sup> Commerce found the following companies to be cross-owned with Resolute: Resolute Growth Canada Inc., Resolute Sales Inc., Abitibi-Bowater Canada Inc., Bowater Canadian Ltd., Resolute Forest Products Inc., Produits Forestiers Maurice SEC., and 9192-8515 Quebec Inc.

Tolko Marketing and Sales Ltd. and its cross-owned affiliates <sup>12</sup>	20.28%
West Fraser Mills Ltd. and its cross-owned affiliates <sup>13</sup>	18.68%
All-Others Rate	19.62%

#### Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

#### Notification to Interested Parties

Commerce is issuing and publishing these final results and this notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act and 19 CFR 351.218.

Dated: March 24, 2023.

Ryan Majerus,  
Deputy Assistant Secretary  
for Policy and Negotiations.

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<sup>12</sup> Commerce found the following companies to be cross-owned with Tolko: Tolko Industries Ltd., and Meadow Lake OSB Limited Partnership.

<sup>13</sup> Commerce found the following companies to be cross-owned with West Fraser: Blue Ridge Lumber Inc., Manning Forest Products, Ltd., Sundre Forest Products Inc., Sunpine Inc., West Fraser Alberta Holdings, Ltd., and West Fraser Timber Co., Ltd.

## **Appendix**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. History of the *Order*
- V. Legal Framework
- VI. Discussion of the Issues
  - 1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
  - 2. Net Countervailable Subsidy Likely to Prevail
  - 3. Nature of the Subsidy
- VII. Final Results of the Sunset Review
- VIII. Recommendation

[FR Doc. 2023-06791 Filed: 3/31/2023 8:45 am; Publication Date: 4/3/2023]